

Message Text

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ACTION XMB-04

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UNCLAS ANKARA 9353

E.O. 11652: NA

TAGS: EGEN

SUBJ: EXIM BANK FINANCING - MACK TRUCK SALE TO YSE

REF A) STATE 260473; B) ANKARA 6862; C) ANKARA 6045;
D) ANKARA 3384; E) ANKARA 3073

1. MACK TRUCK SUBMITTED LAST MAY BIDS TO YSE FOR 40 TRUCK TRACTORS AND 67 20-TON TRUCKS AS PART OF OVERALL YSE PROCUREMENT DISCUSSED ANKARA REFTELS. THE BIDS ARE STILL VALID. TOTAL VALUE THESE TRUCKS WITH SPARES APPROX \$4 MILLION. YSE OFFICIALS HAVE ASSURED LOCAL MACK AGENT THAT IF ACCEPTABLE FINANCING IS OFFERED CONTRACT WILL BE GIVEN TO MACK. EMBASSY REITERATES ITS SUPPORT FOR EXIM BANK CREDIT ON THIS TRANSACTION.

2. YSE EXPECTS TO REISSUE (FOR THE THIRD TIME) IN LATE DECEMBER INVITATION TO BID ON 11 TRUCK MOUNTED WATER WELL DRILL RIGS VALUED AT \$3 MILLION INCLUDING SPARES. YSE OFFICIAL TOLD COMAT THAT YSE HOPES TO BE ABLE TO BUY GARDNER DENVER EQUIPMENT IN EFFORT TO STANDARDIZE RIGS NOW OWNED BY YSE. EXIM BANK SHOULD BE PREPARED TO APPROVE CREDIT TO GARDNER DENVER OR OTHER U.S. SUPPLIER REQUESTING HELP.

3. REFTELS FROM ANKARA OUTLINES YSE EQUIPMENT POOL PURCHASE PLANS AND EMPHASIZED SALES OPPORTUNITIES OFFERED U.S. SUPPLIERS ABLE TO OFFER FINANCING WITH THEIR BIDS. MOST OF THAT BUSINESS HAS UNCLASSIFIED

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BEEN LOST TO FOREIGN SUPPLIERS OFFERING CREDIT TERMS.

I. YSE FIRST STAGE PROCUREMENT: CONSTRUCTION EQUIPMENT --

A. 300 AIR COMPRESSORS CONTRACT GIVEN OCTOBER TO SUMITOMO WHICH OFFERED 100 PERCENT FINANCING WITH JAPAN EXIM BANK SUPPORT. WORTHINGTON CEI INC. AND LOCAL AGENT MADE STRONG EFFORT TO GET U.S. EXIM BANK SUPPORT BUT FAILED AND LOST CONTRACT.

B. 190 ROAD ROLLERS CONTRACT GIVEN OCTOBER TO BRAZIL TEMA TERRA S.A. LICENSEES OF U.S. BROS BROTHERS WITH 90 PERCENT FINANCING; 10 PERCENT DOWNPAYMET.

C. 170 RUBBER TIRED LOADERS CONTRACT GIVEN TO BUMAR POLISH FIRM FOR \$3 MILLION ORDER.

D. 163 MOTOR GRADERS CONTRACT ABOUT TO BE GIVEN DOMINION OF CANADA WITH ANTICIPATED EDC CREDIT. GALION INTL UNABLE SUPPLY CREDIT.

E. 155 ANGLED OZERS. THIS BID STILL PENDING YSE DECISION BUT NO U.S. FIRM PARTICIPATED.

F. 1000 DUMP TRUCKS CONTRACT GIVEN OCTOBER TO BRAZIL MERCEDES. NO U.S. BID RECEIVED.

G. 40 TRUCK TRACTORS AND 67 20-TON TRUCKS DISCUSSED IN PARA ONE ABOVE.

II. YSE SECOND STATE PROCUREMENT: ALL OF FOLLOWING STILL OUT-
STANDING. SOME OF ITEMS WILL BE PAID BY L/C OTHERS WILL BE
AWARDED TO FIRM WITH BEST PRICE PLUS CREDIT.

A. ARC WELDING EQUIPMENT: VALUED AT \$500 THOUSAND. TWO U.S. FIRMS HOBART BROS AND MILLR ELEC ARE ONLY COMPETITORS.

B. 19 MOBILE CRANES: THIS ITEM WILL BE RETENDERED LATE DECEMBER, SINCE OFFERS FAILED TO COMPLY WITH SPECIFICATIONS.

C. 67 DIESEL ENGINES: 35 HP TO 120 HO. ONLY ONE BID RECEIVED FROM ALFO ITALIAN (FIAT) WHICH WILL PROBABLY RECEVIE ORDER.
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D. 287 DIESEL GENERATORS: 15 KVA TO 105 KVA. NO BIDS FROM U.S. FIRMS. BIDS FROM FIVE FIRMS -- 3 GERMAN, ONE ITALIAN, AND ONE U.K.

E. 488 SUBMERSIBLE PUMPS: NO BIDS FROM U.S. FIRMS.

F. 11 TRUCK MOUNTED WATER WELL RIGS: VALUED AT \$3

MILLION. THIS WILL BE RETNDERED LATE DECEMBER OR EARLY JANUARY.
(SEE PARA 2 ABOVE).

III. YSE THIRD STATE PROCUREMENT:

A. 10 SNOW BLOERS: CONTRACT AWARDED ALFRED SCHNIDT GERMANY.

B. WORKSHOP MACHINERY: SPECIFICATIONS STILL BE WRITTEN AND TO BE
TENDERED EARLY 1975.

C. MOBILE REPAIR PICKUPS: TO BE TNDERED EARLY 1975.
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